SUPREME COURT, U. S.

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IN THE

Supreme Court of the United States

October Term, 1968

No. [redacted] 154

FORT HOWARD PAPER COMPANY, a Corporation,
Opposer-Petitioner,

vs.

KIMBERLY-CLARK CORPORATION, a Corporation,
Applicant-Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

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INDEX.

	PAGE
Opinions Below	1
Jurisdiction	1
Questions Presented	2
Statement of this Case	3
Reasons for Granting the Petition for Writ of Certiorari	4
Conclusion	7
Appendix "A"—Opinion of the United States Court of Customs and Patent Appeals	8
Appendix "B"—Mandate of the United States Court of Customs and Patent Appeals	13
Appendix "C"—Opinion of the Trademark Trial and Appeal Board of the United States Patent Office	15
Appendix "D"—Excerpts of Trademark Act of 1946, as Amended	24

AUTHORITIES CITED.

The Coca-Cola Company vs. Clay, 139 USPQ 308; 324 F. 2d 198	7
The Magnavox Company vs. Multivox Corporation of America, 144 USPQ 501; 341 F. 2d 139	6
United Drug vs. Rectanus, 248 U. S. 90	4

STATUTES.

Sec. 1 (15 U. S. C. 1051)	3
Also See Appendix "D"	25
Sec. 2 (15 U. S. C. 1052)	5
Also See Appendix "A"	9
Also See Appendix "D"	25
Sec. 45 (15 U. S. C. 1127)	2, 6
Also See Appendix "D"	24

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Applicant-Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

Petitioner prays that a writ of certiorari issue to review the decision of the United States Court of Customs and Patent Appeals entered in the above entitled Trade Mark Opposition on March 14, 1968.

Opinions Below

The decision of the Trademark Trial and Appeal Board of the United States Patent Office is reported at 148 USPQ 607, and is reprinted in the Appendix "C" hereto annexed p. 15. The opinion of the United States Court of Customs and Patent Appeals is reported at 157 USPQ 55, and is reprinted in the Appendix "A" hereto annexed p. 8.

Jurisdiction

The jurisdiction of this Court is invoked under 28 USC Sec. 1256.

Questions Presented

1. Do the Federal Trademark Statutes permit a party to make use of an application for federal trademark registration to reserve rights to a proposed trademark which is, in fact, not in legitimate commercial use at the time of filing the trademark application? This presents an important question of trademark law under the Lanham Act which has never been decided by this Court.

2. Did the United States Court of Customs and Patent Appeals approve a practice which is directly contrary to the Federal Trademark Statutes when it held that a token shipment, consisting of a few boxes of sanitary paper items, sent to a drug store by the legal department of Kimberly-Clark Corporation, which was admittedly not followed by any commercial sales for eighteen months, was a proper "use in commerce" on which to base the filing of an application for United States trademark registration, when the mark was not in commercial use at the time the affidavit attached to the trademark application was executed, which affidavit incorrectly stated that the mark was "in use" on the date of filing?

3. Did the United States Court of Customs and Patent Appeals decide a federal question contrary to the intent of the Federal Trademark Statutes, as expressed in the last paragraph of Sec. 45, 15 USC 1127 ("* * * to prevent fraud and deception in such commerce by the use of * * * colorable immitations of registrable marks") and when it held that, "Notwithstanding the apparent similarities between 'So-Dri' and 'Hi-Dri' * * *" there was no likelihood of confusion or mistake as to the source of goods sold thereunder, the Court having previously concluded that there was "identity of goods"?

Statement of this Case

This is a trademark opposition case which originated in the United States Patent Office. Opposer-Petitioner, Fort Howard Paper Company, brought the opposition "based on the admittedly long prior use as trademarks for paper towels of 'So-Dri' * * *" (Decision of CCPA, p. 1). This use began in 1922, Opposer-Petitioner being the owner of Trademark Registration No. 165,832, registered March 20, 1923, for "Sodri", of Registration No. 651,196, registered September 3, 1957, for "Sodri", and of Registration No. 651,198, registered September 3, 1957, for "So-Dri". Applicant-Respondent, Kimberly-Clark Corporation, filed an application to register "Hi-Dri" as applied to absorbent paper tissue suitable for hygenic, cosmetic or cleaning purposes on January 15, 1963, based upon an alleged use in interstate commerce on December 27, 1962, consisting of a single shipment of $1.91 worth of goods to a drug store in Illinois, which was admittedly not followed by any legitimate commercial sale for eighteen months. When the trademark application was executed on January 14, 1963, Applicant's official swore to the truth of the statement that the trademark "is now in use in such commerce". The record shows that the trademark was not in commercial use in commerce on January 14th, and that the first commercial sale occurred some eighteen months later.

The United States Trademark Statutes, 15 USC 1051, Sec. 1, provide for registration by "the owner of a trademark *used in commerce*" (emphasis ours) and requires that applicant, in his written application, state "the date of applicant's first use of the mark in commerce" and also "that the mark *is in use* in commerce" (emphasis ours) at the time of filing the application. Even if the token shipment by the legal department, which the Trademark Trial and

Appeal Board stated in its decision "was deliberately made for federal registration purposes" is accepted as a proper "use in commerce" under the Statute, there was admittedly no further use, following this $1.91 token shipment, for eighteen months. Therefore, the trademark was not "in use in commerce" at the time of executing the trademark application on January 14, 1963. Thus the Court of Customs and Patent Appeals has approved an exceedingly dangerous practice which is directly contrary to both the intent and wording of the United States Trademark Statutes. It is also in conflict with the dicta of this Court in *United Drug vs. Rectanus,* 248 U. S. 90, which states that the right to a particular mark grows out of its use—not its mere adoption. This language is also directly applicable to the 1946 Trademark Act.

The Court of Customs and Patent Appeals recognized "the apparent similarities between 'So-Dri' in particular and 'Hi-Dri' " (decision p. 3) and held that there was "identity of goods" (decision p. 2), and that "Appellant's opposition is based on the admittedly long prior use* * *" (decision p. 1). With these facts in mind any holding that there is no likelihood of confusion between "Hi-Dri" and "So-Dri" is directly contrary to the Federal Trademark Statutes.

Reasons for Granting the Petition for Writ of Certiorari

It is exceedingly important that the present Petitioner, as well as the public in general, be protected against the existence of "paper registrations" not based upon legitimate commercial use in commerce. By its decision in the present case, the Court of Customs and Patent Appeals has placed its stamp of approval upon filing a trademark application based upon a token shipment by the legal

department which was not followed by any legitimate activity for eighteen months. This leaves the door open for parties to attempt to reserve trademark rights by way of registrations not based on legitimate commercial usage. This also leaves the door open for the owners of such "paper registrations" to harass legitimate trademark users who may later adopt trademarks based on legitimate usage which are too close to said "paper registrations". Such practice has in the past existed in certain Latin American and South American countries, and legitimate United States manufacturers have been faced with problems when trying to enter such countries because of such registrations. The decision of the Court of Customs and Patent Appeals could also result in a highly objectionable cluttering of the trademark records with "paper registrations" not based on legitimate commercial usage, taken out either for the purpose of reserving a word for possible future use or for some ulterior purpose—in either event contrary to the provisions of the Statutes. It is submitted that this presents an important question of Federal Law in interpretation of the Lanham Trademark Act, which has not been, but should be, settled by this Court.

It is also submitted that the decision of the Court of Customs and Patent Appeals holding that there is no likelihood of confusion between "HI-DRI" and "SO-DRI", both used on *identical,* casually purchased, inexpensive products, is in conflict with the provisions of the Federal Trademark Statutes. These statutes provide in Sec. 2(d), 15 U. S. C. 1052, for refusal of registration where the mark "consists of or comprises a mark which so resembles a mark registered in the Patent Office or a trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of ap-

plicant, to cause confusion, or to cause mistake, or to deceive * * *", and the purpose of the Trademark Statutes, as expressed in the last paragraph of Sec. 45, 15 U. S. C. 1127, is "to prevent fraud and deception in such commerce by the use of * * * colorable imitations of registrable marks." Considering the fact that the Court of Customs and Patent Appeals held that there was "identity of goods" (Decision, p. 2), that "Appellant's opposition is based on the admittedly long prior use * * *" (Decision, p. 1) and considering the Court's recognition of "the apparent similarities between So-Dri in particular and Hi-Dri" (Decision, p. 3), and considering the fact that petitioner has had a registration since 1923, a finding that use by the newcomer of Hi-Dri is likely to cause confusion or to cause mistake or to deceive should naturally follow under any reasonable reading of the Statutes. The decision of the Court of Customs and Patent Appeals is also in direct conflict with other decisions of the same Court involving two-syllable marks where the last syllable is suggestive. In 1965 the Court of Customs and Patent Appeals, in the case of *The Magnavox Company vs. Multivox Corporation of America,* 144 USPQ 501; 341 F. 2d 139, held that there was likelihood of confusion between "Multivox" on electric organs and "Magnavox" on radios, phonographs and television sets. This case involved a substantial difference in goods, the goods were expensive, and the common suffix "Vox" is at least suggestive of a characteristic of the goods. It is, therefore, inconceivable that the same Court, three years later, could hold "Hi-Dr" and "So-Dri" not likely to result in confusion where they are both used on identical products of an inexpensive nature, bought casually.

The present decision is also in conflict with the decision of the Court of Customs and Patent Appeals in the case of

The Coca-Cola Company vs. Clay, 139 USPQ 308; 324 F. 2d 198, where the Court held that there was a likelihood of confusion between "Cup-O'-Cola" and "Coca-Cola". The reasoning of the Court in the latter case was that "the semantic differences which may exist * * * would we think be lost on the average purchaser in the marketplace. Certainly they would be outweighed by the phonetic and visual similarities." In this case the suffix "Cola" had a descriptive connotation. If the reasoning of the Court in the above two cases were applied to the present situation, where the products are identical, inexpensive and bought casually, there could be only one result, i.e. likelihood of confusion. This Court should resolve the apparent conflict between this decision and prior decisions of the Court of Customs and Patent Appeals so that trademark users may have proper and consistent guidance.

Conclusion

In view of the foregoing, a Writ of Certiorari should issue to review the judgment of the United States Court of Customs and Patent Appeals in the above entitled cause.

Respectfully submitted,

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APPENDICES TO PETITION FOR WRIT OF CERTIORARI

APPENDIX "A"

Opinion of the United States Court of Customs and Patent Appeals

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

October Term 1967.
Patent Appeal No. 7915.
Opposition No. 43,376.

FORT HOWARD PAPER COMPANY,
Appellant,

v.

KIMBERLY-CLARK CORPORATION,
Appellee.

March 14, 1968

RICH, Judge.

This appeal is from a decision of the Patent Office Trademark Trial and Appeal Board, 148 USPQ 607, dismissing appellant's opposition to the registration by appellee of "Hi-Dri" on the Principal Register for "Absorbent Paper Tissue Suitable for Hygienic, Cosmetic, or Cleaning Purposes," serial No. 160,711, filed January 15, 1963, claiming first use December 27, 1962.

Appellant's oppositon is based on the admittedly long prior use as trademarks for paper towels of "So-Dri,"[1] principally relied on, its earlier-used variant "Sodri,"[2] and "Shur-Dri."[3]

Both parties took testimony, the witnesses for each side being cross-examined by counsel for the other.

The appeal presents two issues: (1) likelihood of confusion, etc., within the meaning of section 2(d) of the Lanham Act (15 USC 1052(d));[4] (2) whether appellee made bona fide commercial use of its mark so as to support right to register.[5]

The essential facts shown by the testimony and exhibits are adequately summarized in the board's published opinion and we see no need to repeat them. The highlights are that opposer's registered marks have been used extensively on paper towels designed and sold to automotive service stations for cleaning windshields and the like. Applicant's goods include paper towels and there is, therefore, identity of goods.

A key factor in the board's decision of no likelihood of confusion is the descriptiveness of the term "dry" or "dri" as applied to any kind of towel and the apparent commonplace use of that term as a syllable or part of trademarks adopted and used by applicant-appellee and third parties

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[1] Reg. No. 651,198, Sept. 3, 1957, for paper towels.

[2] Reg. No. 165,832, Mar. 20, 1923, twice renewed, last renewal for paper towels only, and No. 651,196, Sept. 3, 1957, for paper towels.

[3] Reg. No. 720,359, Aug. 22, 1961, for paper towels.

[4] Appellant makes two issues out of this by separately stating them as "confusing similarity" of the marks and likelihood of confusion, mistake or deception. These are, however, inseparable aspects of a single issue, as we view the matter.

[5] There is no question but that the mark was used, under conditions hereinafter explained, and appellant disavows any reliance on a theory of abandonment.

for towels of both paper and cloth. The record shows use by what is now a division of applicant, Kimberly-Clark, since 1911, of "Driwell" on paper towels, Reg. No. 522,321, except for the period 1924-1934 when "Drytex" was used instead. In the 1941-1964 period some 2,000,000 cases of "Driwell" towels were sold. Kimberly-Clark also has a registration of "Kaydry," No. 774,552, for disposable towels which the record shows to be paper towels. There are, in addition, 25 third-party registrations of record of marks containing "dry" or "dri," 11 of them for paper towels and 14 for cloth towels. The paper towel marks are in several instances the subject of recent or renewed registrations, indicating a probability of recent or present use.

Notwithstanding the apparent similarities between "So-Dri" in particular and "Hi-Dri," the board concluded there would be no likelihood of confusion on the following basis:

> Opposer's marks "So-Dri" and "Shur-Dri" and applicant's mark "Hi-Dri" obviously were adopted to suggest that the paper towels sold thereunder possess superior drying qualities. It likewise appears from the record that it has been a common practice for producers of paper towels and of such competitive products as cloth towels to adopt as trademarks for their products designations comprising the word "Dry" or "Dri", having a similar suggestive connotation, such as "Dri-N-Shine", "Dri-Kleen", "Dry-Mor", "Sparkle-Dri", "Easi-Dri", "Dryfast", and "Wipemdri". Under such circumstances, the scope of protection afforded opposer's marks must necessarily be narrow and manifestly cannot extend to preclude the registration by others of similar but otherwise distinguishable notations or trademarks for towels. [Cases cited.] * * * The fact, as urged by opposer, that its marks and that of applicant are hyphenated marks and the syllable "Dri" appears therein as a prefix instead of a suffix as in the third-party registrations is of no particular significance * * *. Accordingly, although the designations "So-Dri", "Shur-Dri",

> and "Hi-Dri" may have similar meanings, the differences between them in both sound and appearances are sufficient in view of the nature of the marks, to preclude a likelihood of confusion or mistake as to the source of the goods sold thereunder.

We see no clear error in that conclusion or in the reasoning by which it was reached.

Compare *Fort Howard Paper Co.* v. *Gulf States Paper Corp.*, 54 CCPA 1375, 376 F. 2d 904, 153 USPQ 646, where opposition to registration of "E-Z NAPS" by the owner of "HANDINAP" and "HANDINAPS" was dismissed, the goods of both parties being paper napkins.

On the second issue, it is opposer's contention that there was no bona fide use of "Hi-Dri" in commerce adequate to support a registration. Briefly, the facts are as follows. Kimberly-Clark's legal department made careful arrangements for the interstate shipment and sale on December 12, 1962, from its plant in Neenah, Wisconsin, to a drugstore in Waukegan, Illinois, of six boxes each of facial tissues, table napkins, toilet tissues and paper towels, all boxed or wrapped in coverings bearing the "Hi-Dri" trademark printed thereon. No further sales were made until July 1964, a period of eighteen months. Then sales under the mark were made as follows: July, 40 cases of toilet tissue and 260 cases of facial tissue; October, 700 cases of toilet tissue, 530 cases of facial tissue, and 357 cases of towels; November, 350 cases of toilet tissue and 50 cases of napkins. The total value of 1964 sales under the mark was $15,013.60.

Appellant argues that the first sale was not "bona fide," that the mark was not actually in use at the time the application was filed, some 18 days later, and that the 1964 sales were obviously stimulated by the opposition.

The board characterized this issue as an *"ex parte"* matter but considered it anyway, "in the interest of re-

moving any cloud that may be placed on applicant's activities in regard to its use of 'Hi-Dri' * * *." Since the board considered it, we will consider it.[6]

The board held, in effect, that applicant has complied with the law, and that although the initial sale was deliberately made expressly for federal registration purposes, this fact "is not damning *per se*" where the record shows there was an intent to continue to use the mark, and that such use was in fact continued. The board relied on the following cases: *Montgomery Ward & Co.* v. *Sears, Roebuck & Co.*, 18 CCPA 1386, 49 F. 2d 842, 9 USPQ 524; *California Spray-Chemical Corp.* v. *Ansbacher Siegle Corp.*, 55 USPQ 298 (Comm'r); *Western Stove Co.* v. *Geo. D. Roper Corp.*, 80 USPQ 393 (S. D. Cal. 1949); and *Maternally Yours, Inc.* v. *Your Maternity Shop, Inc.*, 110 USPQ 462 (2d Cir. 1956). Appellant attempts, unsuccessfully we think, to distinguish these cases. Appellee's testimony was that it normally takes it about three years after adoption and first use of a new mark to take the necessary steps leading to national distribution of a product under it, during which time marketing and advertising tests and preparation for production and sale are progressing. An eighteen-month hiatus in sales, absent any indication of an intent not to proceed, does not seem to us unreasonable. We think it appropriate that appellee should proceed with caution to try out its right to registration of "Hi-Dri," as it is doing in this proceeding, before plunging into the market with more extensive sales than it did. We agree with the board's decision that appellee complied with the law.

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[6] We do not know why an opposer should be precluded from raising this reason for denying registration in an *inter partes* proceeding. See *Roger & Gallet v. Janmarie, Inc.*, 46 CCPA 787, 263 F. 2d 350, 120 USPQ 484, on the delay of final disposition which may result from the characterization of rulings as *"ex parte."* Here both parties are arguing the question and neither questions our right to pass upon it.

For the foregoing reasons, the decision dismissing the opposition is *affirmed.*

AFFIRMED

WORLEY, C. J., did not participate.

APPENDIX "B"

Mandate of the United States Court of Customs and Patent Appeals

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

OCTOBER TERM, 1967

March 14, 1968

FORT HOWARD PAPER COMPANY,
Appellant,

v.

KIMBERLY-CLARK CORPORATION,
Appellee.

Patent Appeal No. 7915.

Subject Matter: Trademark for absorbent paper tissue suitable for hygienic, cosmetic or cleaning purposes.

Opposition No. 43,376.

Said appeal having heretofore been brought on to be heard before the court and due consideration having been had, it is—

ORDERED that the decision of the Trademark Trial and Appeal Board be, and the same is hereby, affirmed.

I, GEORGE E. HUTCHINSON, Clerk of the United States Court of Customs and Patent Appeals, do hereby certify that the above judgment and the attached opinion are true and correct copies of the judgment and opinion of said United States Court of Customs and Patent Appeals filed the 14th day of March, A. D. 1968, in the above-entitled appeal, as the same remain upon the files and records of said court.

WITNESS my hand and the seal of this court this 19th day of April, A. D. 1968.

(Signed) GEORGE E. HUTCHINSON,
Clerk.

APPENDIX "C"

Opinion of the Trademark Trial and Appeal Board of the United States Patent Office

Hearing: October 5, 1965 — VLH Paper No. 28

U. S. DEPARTMENT OF COMMERCE
PATENT OFFICE

Trademark Trial and Appeal Board

FORT HOWARD PAPER COMPANY,
v.
KIMBERLY-CLARK CORPORATION.

Opposition No. 43,376, to application Serial No. 160,711, filed January 15, 1963.

Morsell & Morsell and Paul J. Schierl for Fort Howard Paper Company.

Paul J. Glaister and Florence E. Miller and Hume, Groen, Clement & Hume for Kimberly-Clark Corporation.

Before Waldstreicher, Lefkowitz, and Shryock, Members.

Opinion by Lefkowitz, Member:

An application has been filed by Kimberly-Clark Corporation to register "HI-DRI" as a trademark for absorbent paper tissue suitable for hygienic, cosmetic or cleaning purposes. Use of the mark since December 27, 1962 has been alleged.

Registration has been opposed by Fort Howard Paper Company, which alleges that applicant's mark "HI-DRI" so resembles "SO-DRI", [1] "SODRI",[2] and "SHUR-DRI"[3] previously used and registered by opposer for absorbent paper tissue suitable for hygienic or cleaning purposes and, in particular, paper towels, as to be likely, when applied to applicant's goods to cause confusion or mistake or to deceive.

Both parties have taken testimony.

According to its record, opposer is engaged in the manufacture and sale of a general line of sanitary paper products, which include toilet tissue, paper towels, paper napkins, and printed specialties, the bulk of which is designed for and directed to industrial and commercial use. Opposer has sold paper towels designed and merchandised especially for use in service stations to wipe and clean windshields and other portions of automobiles under the marks "SO-DRI" and "SHUR-DRI" since 1956 or the spring of 1957 and 1960, respectively. Prior to 1956 or thereabout, opposer used the trademark "SODRI" to identify a general purpose hand towel sold with or without a dispenser for use in washrooms in factories, restaurants, schools, and like commercial and institutional establishments. Opposer's windshield wiper towels are marketed throughout the continental United States and possibly also in Hawaii through wholesale paper merchants, janitorial supply houses, wholesale automobile supply merchants, and institutional wholesalers who ordinarily also handle paper products of other producers. The marks "SO-DRI" and "SHUR-DRI" have been applied to labels and wrappers

(1) Reg. No. 651,198, issued Sept. 3, 1957.

(2) Reg. No. 165,832, issued Mar. 20, 1923, and twice renewed, and Reg. No. 651,196, issued Sept. 3, 1957.

(3) Reg. No. 720,359, issued Aug. 22, 1961.

for the goods as well as to the containers therefor. Sales of "So-Dri" towels since 1960 have been in excess of one hundred thousand dollars a year. "So-Dri" towels have been promoted by advertisements in the trade publications, "Jobber Topics", "Super Service Station", and "Gasoline Retailer", and through the distribution of posters, catalog sheets, flyers, and mailing pieces. Opposer has, since the introduction of windshield towels under the mark "So-Dri", expended approximately a hundred thousand dollars for magazine advertising as well as additional thousands of dollars for preparing and distributing promotional material directed to this product.

Applicant, like opposer, is a large manufacturer of paper products, including a variety of absorbent paper products such as towels, tissue, toilet paper, and table napkins. The first shipment of products in the United States under the mark "Hi-Dri" was made on December 27, 1962 when six boxes of "Hi-Dri" facial tissue, six boxes of "Hi-Dri" table napkins, six rolls of "Hi-Dri" toilet tissue, and six rolls of "Hi-Dri" towels were shipped in interstate commerce to Osco Drug of Waukegan, Illinois. The labels and cartons bore the trademark "Hi-Dri". The total shipment amounted to one dollar and ninety-one cents. The subject application was filed on January 15, 1963. Except possibly for some sales in Canada in connection with the registration of the mark in that country, no further shipments of goods under the mark "Hi-Dri" were made by applicant until July 1964.[4] The lapse of time between shipments, according

[4] Applicant's witness has testified to alleged extensive use of the mark "Hi-Dri" on paper products by its subsidiary in England and other foreign countries. But, apart from the fact that such asserted use does not antedate opposer's use of its pleaded marks, it is well established that use of a mark in commerce outside the jurisdiction of the Congress cannot establish or create rights in a trademark which a party can properly assert in a proceeding of the character here involved.

to applicant's testimony, was the normal lapse of time between the date on which a decision is reached to introduce a new product and the date when such product is placed in national distribution. In the interval, applicant usually conducts market tests, advertising tests, evaluations of the product, determines the best advertising format, and otherwise takes measures which it has found necessary prior to the distribution of a product nationally. Applicant's sales of "HI-DRI" products amounted to a sum slightly in excess of one thousand seven hundred dollars in July, 1964, a sum in excess of ten thousand dollars in October, 1964, and about thirty-one hundred dollars in November, 1964. Applicant's line of "HI-DRI" paper products are sold exclusively through its industrial or commercial division throughout most of the United States directly to multiple outlet users such as hotels, motels, airlines, factories, and the like and through merchant wholesalers who handle a general line of paper goods, janitorial supply merchant wholesalers, and similar wholesalers for resale to jobbers who in turn sell to institutional and commercial users. Admittedly, "Hi-Dri" paper products would be sold to filling stations either directly if they are a part of a large chain or through jobbers.

Applicant's record also contains testimony and documentary evidence as to its use and registration of the trademark "KAYDRY" for paper products and use, over the years, by one of its subsidiaries of the marks "DRYTEX" and "DRIWELL" for simliar goods. Considering, the substantial and obvious differences between these marks and "HI-DRI", the mark for which registration is sought, the use and registration of these marks is immaterial and irrelevant to the issue joined by the parties in this proceeding except to the extent that they show that applicant and its subsidiary have used other marks for paper goods comprising the term

"DRY" and its equivalent "DRI".[5] Apropos thereto, applicant has made of record under the applicable rule copies of twenty-five additional registrations issued to third persons for marks comprising the term "DRY" or "DRI" for paper and cloth towels.

The primary question for determination herein is whether or not a registration to applicant of "HI-DRI" for its paper products is likely to cause confusion in trade in view of opposer's ownership of and prior rights in the registered trademarks "SO-DRI" or "SODRI" and "SHUR-DRI". The fact that these marks are used by the parties in conjunction with or in close proximity to their corporate names is not germane to the resolution of this question. See: Frances Denney v. Elizabeth Arden Sales Corporation, 120 US PQ 480 (CCPA, 1959) and Sealy, Incorporated v. Simmons Company, 121 USPQ 456 (CCPA, 1959).

Opposer has attempted to establish the likelihood of such confusion by introducing in evidence testimony by two operators of service stations in Green Bay, Wisconsin where opposer is located to the effect that they utilize "SO-DRI" windshield towels in their businesses and that if they were to encounter "HI-DRI" towels, they would be likely to assume that they originate with the same producer. This testimony amounts to nothing more than an expression of opinion by the witnesses. And it is well settled that such testimony is entitled to little, if any, probative value in determining the question of likelihood of confusion. As stated by the court in The Quaker Oats Company v. St. Joe Processing Company, Inc., 109 USPQ 390 (CCPA, 1956) at page 391:

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[5] Salem Commodities, Incorporated v. The Miami Margarine Company, 114 USPQ 124 (CCPA, 1957); American Cyanamid Company, v. Synthetic Nitrogen Products Corp., 13 USPQ 421 (CCPA, 1932); and Maize Industries v. The Holloway Trust, 128 USPQ 19 (TT&A Bd., 1960).

> "If such testimony were adopted without considering other aspects of the case, the effect would be to substitute the opinions of the witnesses for the ultimate decision to be reached by the court and would therefore be improper."

See also: Fort Howard Paper Company v. Gulf States Paper Corporation, 146 USPQ 593 (TT&A Bd., 1965).

Turning now to the question that we must determine, the goods of both parties comprise hand towels and closely related paper products which are sold through various types of non-inclusive distributors or wholesalers including wholesale paper merchants and janitorial supply houses for resale to commercial, industrial, and institutional users. Under these circumstances and considering that applicant's products, like those of opposer, would be made available to service station operators, the sale of these products under the same or similar marks will cause purchasers to ascribe a common origin thereto.

It is opposer's contention that the marks of the parties and, in particular, "HI-DRI" and "SO-DRI", are confusingly similar when considered in their entireties, "having the same connotation, a similar appearance, and a similar ring when spoken". Applicant argues, however, that each of the marks is highly suggestive of the excellent drying qualities of the towel put out by each manufacturer, and that other than this common theme or suggestion, the marks are sufficiently different to obviate any likelihood of confusion in trade.

Opposer's marks "SO-DRI" and "SHUR-DRI" and applicant's mark "HI-DRI" obviously were adopted to suggest that the paper towels sold thereunder possess superior drying qualities. It likewise appears from the record that it has been a common practice for producers of paper

towels and of such competitive products as cloth towels to adopt as trademarks for their products designations comprising the word "DRY" or "DRI", having a similar suggestive connotation, such as "DRI-N-SHINE", "DRI-KLEEN", "DRY-MOR", "SPARKLE-DRI", "EASI-DRI", DRY-FAST", and "WIPEMDRI". Under such circumstances, the scope of protection afforded opposer's marks must necessarily be narrow and manifestly cannot extend to preclude the registration by others of similar but otherwise distinguishable notations or trademarks for towels. See: Stephen L. Bartlett Company v. Arbuckle Brothers, 52 App. D. C. 267 (1923); Hillyard Chemical Company v. Vestal Laboratories, Inc.; Vestal Laboratories, Inc. v. Hillyard Chemical Company, 99 USPQ 117 (CCPA, 1943); Milwaukee Nut Company v. Brewster Food Service, 125 USPQ 399 (CCPA, 1960); Sure-Fit Products Company 1. Saltzson Drapery Company, 117 USPQ 295 (CCPA, 1958); The Murray Corporation of America v. Red Spot Paint and Varnish Co., Inc., 126 USPQ 390 (CCPA, 1960); E. L. Bruce Company v. American Termicide Company, Inc., 128 USPQ 341 (CCPA, 1960); and Air Products, Inc. v. Marquette Manufacturing Co., Inc., 133 USPQ 192 (CCPA, 1962). The fact, as urged by opposer, that its marks and that of applicant are hyphenated marks and the syllable "DRI" appears therein as a prefix instead of a suffix as in the third-party registrations is of no particular significance as evidenced by the decisions in Sure-Fit Products Company v. Saltzson Drapery Company, *supra* (RITE-FIT and SURE-FIT); Hillyard Chemical Company v. Vestal Laboratories, Inc., *supra* (SHINE-ALL and BRITEN-ALL); and Air Products, Inc. v. Marquette Manufacturing Co., Inc., *supra* (REDI-ARC and REDI-SET). Accordingly, although the designations "SO-DRI", "SHUR-DRI", and "HI-DRI" may have similar meanings, the differences

between them in both sound and appearance are sufficient, in view of the nature of the marks, to preclude a likelihood of confusion or mistake as to the source of the goods sold thereunder.

Opposer, in effect, has taken the position that, apart from the interpartes issues in this proceeding, applicant should be refused registration *ex parte* because the first shipment on which the application is based was merely a token shipment made for the express purpose of registration, and hence does not constitute a bona fide use of the mark in commerce; there were no further shipments by applicant under the mark "HI-DRI" until July 1964; and the subsequent shipments were so small for a company of applicant's size and so sporadic "as to have obviously been made for the purposes of the present opposition rather than as a part of bona fide commercial activity".

While an opposer may not ordinarily be heard on an *ex parte* question, in the interest of removing any cloud that may be placed on applicant's activities in regard to its use of "HI-DRI" in the United States, opposer's allegations require that they be considered herein.

There is no question on the record presented but that the first shipment of "HI-DRI" was made by applicant at the request of its legal department to establish a basis for the registration which it now seeks, and that the shipment involved only a dollar and ninety-one cents worth of paper products. The recipient of the shipment, however, was a drug chain which apparently had no connection with applicant; the goods were shipped under a commercial type label, invoiced, and paid for in the usual manner for small shipments; and there is nothing to suggest that these goods were not offered for resale or that the shipment was anything other than a bona fide sale. The fact

that a sale in commerce was made expressly for registration purposes is not damming, *per se*, where circumstances indicate an intent to continue such use. See: Maternally Yours, Inc. v. Your Maternity Shop, Inc., 110 USPQ 462 (CA 2, 1956); Western Stove Company, Inc. v. Geo. D. Roper Corporation *et al.*, 80 USPQ 393 (DC Calif., 1949); Montgomery Ward & Co., Inc. v. Sears, Roebuck & Co., 9 USPQ 524 (CCPA, 1931); and California Spray-Chemical Corporation v. Ansbacher Siegle Corporation, 55 USPQ 298 (Comr., 1942). Admittedly, there were no further shipments in the United States until July 1964; but there is uncontradicted testimony by applicant's witness that, during this interval, applicant was conducting marketing tests and analyses which it deemed necessary prior to merchandising "HI-DRI" products on a national scale. Certainly, the record does not support an intent to abandon the mark during this period nor does the eighteen month interim of sales inactivity establish a *prima facie* case of abandonment as defined in Section 45 of the Statute; and while the sales of "HI-DRI" paper products after July 1964 may not have been of the magnitude normally associated with a manufacturer of applicant's size, they nevertheless were shipments under the mark in question and serve to establish applicant's intent to continue to use and maintain whatever rights it may have acquired in the mark "HI-DRI".

Decision:

The opposition is dismissed.

H. WALDSTREICHER,
S. LEFKOWITZ,
R. F. SHRYOCK,
Members, Trademark Trial and
Appeal Board.

JAN 3 1966

APPENDIX "D"

Excerpts from Trademark Act of 1946, as Amended

Intent of Act. The intent of this Act is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks *used in such commerce* from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, *or colorable imitations of registered marks;* and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations (Amended Oct. 9, 1962, 76 Stat. 769). Sec. 45 (15 U. S. C. 1127.) (Emphasis ours.)

The owner of a trademark used in commerce may register his trademark under this Act on the principal register hereby established:

(a) By filing in the Patent Office—

(1) a written application, in such form as may be prescribed by the Commissioner, verified by the applicant, or by a member of the firm or an officer of the corporation or association applying, specifying applicant's domicile and citizenship, the date of applicant's first use of the mark, the date of applicant's first use of the mark in commerce, the goods in connection with which the mark is used and the mode or manner in which the mark is used in connection with such goods, and including a statement to the effect that the person making the verification believes

himself, or the firm, corporation, or association in whose behalf he makes the verification, to be the owner of the mark sought to be registered, *that the mark is in use in commerce,* and that no other person, firm, corporation, or association, to the best of his knowledge and belief, has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when applied to the goods of such other person, to cause confusion, or to cause mistake, or to deceive . . . Sec. 1 (15 U. S. C. 1051). (Emphasis ours.)

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

(a) ...

(b) ...

(c) ...

(d) consists of or comprises a mark which so resembles a mark registered in the Patent Office or a mark or trade name previously used in the United States by another and not abandoned, as *to be likely, when applied to the goods of the applicant, to cause confusion or to cause mistake, or to deceive* . . . Sec. 2 (15 U. S. C. 1052). (Emphasis ours.)

PREME COURT, U. S.

FILED
JUN 28 1968
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

October Term, 1968

No. [redacted] 154

FORT HOWARD PAPER COMPANY, a Corporation,
Opposer-Petitioner,

vs.

KIMBERLY-CLARK CORPORATION, a Corporation,
Applicant-Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO THE PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

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INDEX.

	PAGE
Preface	1
Questions Presented	1
Statement of the Case	2
Argument	9
Conclusion	12
Appendices:	
Appendix "A"—Opinion of the United States Court of Customs and Patent Appeals	13
Appendix "B"—Opinion of the Trademark Trial and Appeal Board of the United States Patent Office	18
Appendix "C"—Section 1, Lanham Act, 15 USC 1051	27
Appendix "D"—Section 45, Lanham Act, 15 USC 1127	29

TABLE OF CASES.

Drop Dead Co. v. S. C. Johnson & Sons, Inc., 326 F. 2d 87 (9th Cir. 1963), cert. denied, 377 U. S. 907 (1964)	11
Esso Standard Oil Company v. Sun Oil Company, 229 F. 2d 37 (D. C. Cir.), cert. denied, 351 U. S. 973 (1956)	9, 10
G D. Searle & Co. v. Chas. Pfizer & Co., 265 F. 2d 385 (7th Cir.); cert. denied, 361 U. S. 819 (1959)	12
Maternally Yours, Inc. v. Your Maternity Shop, Inc., 234 F. 2d 538 (2nd Cir. 1956)	11
Montgomery Ward & Co. v. Sears, Roebuck & Co., 49 F. 2d 842 (C. C. P. A. 1931)	11
Safeway Stores v. Dunnell, 172 F. 2d 649 (9th Cir.), cert. denied, 337 U. S. 907 (1949)	9

PAGE

Watkins Products Inc. v. Sunway Fruit Products, Inc., 311 F. 2d 496 (7th Cir. 1962), cert. denied, 373 U. S. 904 (1963) 9

STATUTES.

Section 1, Lanham Act, 15 USC 1051 .....10, 27
Section 45, Lanham Act, 15 USC 1127 .....2, 10, 11, 29

IN THE

Supreme Court of the United States

October Term, 1968

No. 1492

FORT HOWARD PAPER COMPANY, a Corporation,
Opposer-Petitioner,

vs.

KIMBERLY-CLARK CORPORATION, a Corporation,
Applicant-Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO THE PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

Preface

Respondent would have much preferred to accept the statement of the issues and the analysis of the record as they were set forth in petitioner's brief and to address itself to the law of the case. However, in the interest of a full presentation of the record and issues below, respondent feels compelled to amplify the statements set forth in petitioner's brief.

Questions Presented

1. Did the United States Court of Customs and Patent Appeals err when it affirmed the finding of fact by the Patent Office Trademark Trial and Appeal Board that the

use of the respective trademarks in issue, So-Dri, Sodri, Shur-Dri and Hi-Dri, was not likely to cause confusion or deception of purchasers.

2. Did the United States Court of Customs and Patent Appeals err when it affirmed the finding of fact by the Trademark Trial and Appeal Board that respondent's sales of products, in limited quantities, constituted "use" of respondent's trademark as defined in 15 USC 1127.

Statement of the Case

The dominant feature of the case below was the effort by petitioner to claim broad trademark rights in the term "Dry" and its equivalent "Dri" where those terms appear as components of trademarks used to identify paper towels used for drying purposes. Petitioner's notice of opposition in the Patent Office pleaded a likelihood of confusion between the trademarks So-Dri, Sodry, Shur-Dri, and Hi-Dry. Petitioner's witnesses repeatedly testified that they thought there would be conflict between So-Dri, Sodry, Shur-Dri, and a number of other "Dry" marks, including Perfect Dri, Wonder Dri, Dryad, Dry Brite, Speedry, Terry-Dry, Dish-Dryer, Gleem-Dry, Dry-Me-Dry, Dryfast, Wipemdri, Easi-Dri, Dryalls, and Driwell, if such marks were used on paper towels (TR 46-48; TR 29, 30).

The record below confirmed that in the field of paper or cloth towels there have been a number of uses or registrations of trademarks incorporating the term "Dri" or "Dry." The Blake, Moffitt & Towne Division of Respondent commenced use of the trademark Driwell in 1911 and continued use of Driwell to identify paper towels until about 1924; commencing in 1924, Blake, Moffitt &

Towne substituted the trademark DRYTEX to identify paper towels and continued its use until 1934 when it resumed use of DRIWELL and continued such use until the present time. In each year since 1911 there were substantial sales of paper towels, either under the trademark DRIWELL or DRYTEX, by respondent's division.

There are numerous registrations of "DRY" or "DRI" trademarks by third parties in the towel field, *i. e.*

Trademark	*Product*	*Registration No.*
DRYTEX	Paper towels	723,882 (TR 165)
DRI-N-SHINE	Towels and drying cloths	550,893 (TR 167)
DRI-KLEEN	Paper towels	552,103 (TR 169)
DRY-O-MATIC	Paper towels	601,879 (TR 171)
DRI MASTER	Paper towels	634,842 (TR 173)
DRYMOR	Paper towels	291,914 (TR 175)
DRYWON	Paper towels	423,566 (TR 177)
DRYLO	Paper towels	423,573 (TR 179)
SUPER-DRYTEX	Face and both towels	391,093 (TR 181)
DRI-GLO	Cotton towels	714,791 (TR 183)
DRI-TONES	Paper wipers	701,839 (TR 185)
SPARKLE-DRI	Terry towels and terrycloth	666,937 (TR 187)
DRY-TEX	Turkish towels	191,130 (TR 189)
TERRY-DRI	Towels	686,951 (TR 191)
EASI-DRI	Dish Towels	502,122 (TR 193)
JIFFY-DRY	Textile towels	619,998 (TR 195)
EASI-DRI	Dish towels	395,420 (TR 197)
DRYFAST	Textile towels	644,818 (TR 199)
WIPE-DRY	Towels	514,632 (TR 201)
DRYALLS	Towels	435,786 (TR 203)
DRY-ME-DRY	Towelling	651,816 (TR 205)
DRYAD	Paper towels	423,976 (TR 207)
GLEEM-DRY	Textile towels	684,833 (TR 209)
WIPEMDRI	Paper towels	264,470 (TR 211)
DRYETTES	Paper towels	594,493 (TR 213)

Although its case was based on a claim that confusion of purchasers would result from such use of "DRY" or

"DRI" in the towel field, petitioner did not produce any evidence of actual confusion. Petitioner's principal witnesses admitted, on cross examination, that they had never heard of a single instance of actual confusion between any of the following trademarks of petitioner and any of the other marks in the towel field incorporating the component "DRI" or "DRY."

Petitioner's Trademarks	*Other Mark*
SHUR-DRI	HI-DRI
SODRI	KAYDRY
SO-DRI	DRIWELL
	JIFFY-DRY
	PERFECT DRI
	WONDER DRI
	DRYAD
	DRY BRITE
	SPEEDRY
	TERRY-DRY
	DISH-DRYER
	GLEEM-DRY
	DRY-ME-DRY
	DRYFAST
	WIPEMDRI
	EASI-DRI
	DRYALLS
	WIPE-DRY (TR 45-50).

Petitioner and respondent have had over 40 years of contemporaneous use of their respective "DRY" or "DRI" towel marks.

Petitioner's trademark and period of use	*Respondent's trademark and period of use*
SODRI (1925-1942)	DRIWELL (1911-1924)
SO-DRI (1956-1964)	DRYTEX (1924-1934)
SHUR-DRI (1960-1964)	DRIWELL (1934-1964)
	KAYDRY (1963-1964)
	HI-DRI (1962-1964) (TR 123, 124)

The record below did not indicate any evidence of confusion of purchasers attributable to such trademarks during this 40 year period (TR 123, 124).

Based on such evidence the Trademark Trial and Appeal Board of the United States Patent Office found that there would not be confusion of purchasers, and held:

> "Opposer's marks So-Dri and Shur-Dri and applicant's mark Hi-Dri obviously were adopted to suggest that the paper towels sold thereunder possess superior drying qualities. It likewise appears from the record that it has been a common practice for producers of paper towels and of such competitive products as cloth towels to adopt as trademarks for their products' designations comprising the word 'Dri' or 'Dry' having a similar suggestive connotation, such as Dri-N-Shine, Dri-Kleen, Dry-Mor, Sparkledri, Easi-Dri, Dryfast, and Wipemdri. Under such circumstances the scope of protection afforded opposer's marks must necessarily be narrow and manifestly cannot extend to preclude the registration by others of similar but otherwise distinguishable notations or trademarks for towels . . . Accordingly, although the designations So-Dri, Shur-Dri, and Hi-Dri may have similar meanings, the differences between them in both sound and appearances are sufficient, in view of the nature of the marks, to preclude a likelihood of confusion or mistake as to source of the goods sold thereunder" (TR 220, 221). (Appendix "B", page 24.)

The Court of Customs and Patent Appeals affirmed this finding of fact with the statement:

> "We see no clear error in that conclusion or in the reasoning by which it was reached." (Appendix "A", page 16.)

The first and primary issue below was, therefore, whether the Court of Customs and Patent Appeals erred in affirming the finding by the Trademark Trial and Appeal Board that petitioner is not entitled to assert broad trade-

mark rights in a highly suggestive mark, and whether the marks in issue, considered in the light of their highly suggestive nature, are confusingly similar.

The second issue below related to the alleged good faith of respondent in its initial sale of products under its HI-DRI trademark. During the Patent Office opposition petitioner challenged the good faith of that initial sale on the basis that only one dollar and ninety-one cents' worth of products were sold in the first sale and that there was a lapse of eighteen months before the next sales under the HI-DRI mark by respondent. The issue as to the good faith of respondent's first sale was not pleaded in petitioner's notice of opposition, and the Trademark Trial and Appeal Board commented that petitioner would not ordinarily be heard on an ex parte question of this sort. Nevertheless, the Trademark Board, in the interest of removing any cloud on respondent's HI-DRI registration held:

> "There is no question on the record presented but that the first shipment of HI-DRI was made by applicant at the request of its legal department to establish a basis for the registration which it now seeks and that the shipment involved only a dollar and ninety-one cents' worth of paper products. The recipient of the shipment, however, was a drug chain which apparently had no connection with applicant; the goods were shipped under a commercial type label, invoiced, and paid for in the usual manner for small shipments; and there is nothing to suggest that these goods were not offered for resale or that the shipment was anything other than a bona fide sale. The fact that a sale in commerce was made expressly for registration purposes is not damming, per se, where circumstances indicate an intent to continue such use" (TR 222). (Appendix "B", page 25.)

As to the question of respondent's intent to continue use of the trademark, the uncontradicted evidence indicated

that respondent's initial interest in the use of the trademark HI-DRI in the United States developed out of the use of the trademark HI-DRI in Great Britain by respondent's British affiliate. For a number of years prior to the first sale in the United States, respondent's British affiliate had been quite successful in selling paper towels under the HI-DRI mark with sales in recent years, exceeding $5,000,000 per year. The success of the British sales program prompted respondent to institute plans to market a similar towel in the United States and to utilize the trademark HI-DRI (TR 108, 109).

The first shipment was made on December 27, 1962 from respondent in Neenah, Wisconsin to Osco Drug of Waukegan, Illinois and comprised 6 boxes of HI-DRI facial tissue, 6 boxes HI-DRI paper table napkins, 6 rolls of HI-DRI toilet tissue, and 6 rolls of HI-DRI paper towels. The labels and cartons which were used to ship the initial production of HI-DRI products were printed commercial cartons which were virtually identical to the printed commercial cartons which were ultimately used for large scale production (Respondent's Exhibits 9, 10, 11, 12, 13, 14 & 15; Petitioner's Exhibits 18, 19 & 20). After the initial sale of HI-DRI products in December 1962, respondent continued to prepare for large scale production under its HI-DRI trademark and in July, October and November of 1964 shipped over 2,000 cases of HI-DRI products. The lapse of time between the initial sale of HI-DRI products in December of 1962 and the bulk sales in July of 1964 is in accordance with the experience of respondent that there is a substantial interval of time between the date on which a decision is reached to introduce a new product and the date when such product is actually in national distribution. Because of market tests, advertising tests, and evaluation of the product and the best mer-

chandising format, it has been respondent's experience that a normal time lapse in excess of three years is usually involved between the date on which a decision is reached to market a product and the actual distribution of the product nationally (TR 107, 108). As to respondent's intentions during this interim period of development the former coordinator of new business development for respondent, testified:

> "Q33. Then if I understand your testimony Mr. Glaister you were indicating that the adoption of the trademark HI-DRI in the United States and the initial sale in December 1962, and then the more substantial sales starting in July 1964, are part of the continuing program in which it is the intent of Kimberly-Clark to continue to use this mark? A. That is correct" (TR 109).

The Patent Office Trademark Trial and Appeal Board found that the evidence indicated an intent on respondent's part to continue use of the trademark and the Court of Customs and Patent Appeals affirmed this finding of fact with the statement:

> "The board held, in effect, that applicant has complied with the law, and that although the initial sale was deliberately made expressly for federal registration purposes, this fact 'is not damming per se' where the record shows there was an intent to continue to use the mark, and that such use was in fact continued. The board relied on the following cases: *Montgomery Ward & Co. v. Sears, Roebuck & Co.*, 18 CCPA 1386, 49 F. 2d 842, 9 USPQ 524; *California Spray-Chemical Corp. v. Ansbacher Siegle Corp.*, 55 USPQ 298 (Comm'r); *Western Stove Co. v. Geo. D. Roper Corp.*, 80 USPQ 393 (S. D. Cal. 1949); and *Maternally Yours, Inc. v. Your Maternity Shop, Inc.*, 110 USPQ 462 (2d Cir. 1956). Appellant attempts, unsuccessfully we think, to distinguish these cases. Appellee's testimony was that it normally takes it about three years after

adoption and first use of a new mark to take the necessary steps leading to national distribution of a product under it, during which time marketing and advertising tests and preparation for production and sale are progessing. An eighteen-month hiatus in sales, absent any indication of an intent not to proceed, does not seem to us unreasonable. We think it appropriate that appellee should proceed with caution to try out its right to registration of 'HI-DRI', as it is doing in this proceeding, before plunging into the market with more extensive sales than it did. We agree with the board's decision that appellee complied with the law." (Appendix "A", page 17.)

Argument

There are two findings as to the nature and weight of the evidence which are basic to the decisions below. The first finding is that, under all of the circumstances found in the record, purchasers will not be confused by the trademarks in issue. The second finding is that the evidence indicates an intent, on respondent's part, to continue use of its trademark. However interesting or compelling the litigants may find these questions to be, this case does not bring into focus any substantial question of trademark law.

The finding that purchasers will not be confused is a finding of fact. *Watkins Products Inc. v. Sunway Fruit Products, Inc.*, 311 F. 2d 496 (7th Cir. 1962), cert. denied, 373 U. S. 904 (1963). Moreover, since the Patent Office is possessed of expertise in this field, the finding of fact on the issue of likelihood of confusion should be accepted as controlling unless the contrary is established by evidence which in character and amount carries thorough conviction. *Safeway Stores v. Dunnell*, 172 F. 2d 649 (9th Cir.), cert. denied, 337 U. S. 907 (1949); *Esso Standard Oil Company*

v. Sun Oil Company, 229 F. 2d 37 (D. C. Cir.), cert. denied, 351 U. S. 973 (1956).

Petitioner raises the spectre that the present case, unless reviewed and reversed by this Court, will establish the proposition that a "paper registration" of a trademark is valid and, allegedly, will permit the harassment of "legitimate" trademark owners as they are now harassed in "certain Latin American and South American countries" (Pet. Br. pp. 4, 5). Petitioner's definition of this "question" as set forth in its Questions Presented, numbers 1 and 2, begs the basic question of fact which was answered contrary to petitioner's position in the decisions below, and, insofar as petitioner refers to conditions in Latin America or South America, it departs from the facts and the record before this Court. There is nothing in the present case which will establish the precedent so alarming to petitioner. The requirement of "use" of a trademark is set forth in Section One in the Lanham Act, 15 USC 1051 (Appendix C) which provides in part, "The owner of a trademark *used in commerce* may register his trademark under this Act . . ." (Emphasis added). Section 45 of the Lanham Act (15 USC 1127) (Appendix D) defines the phrase "used in commerce" as follows:

> ". . . For the purposes of this Act a mark shall be deemed to be used in commerce (a) on goods when it is placed *in any manner on the goods* or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods *are sold* or *transported* in commerce . . ." (Emphasis added).

The plain meaning of the words "in any manner" is that the qualifying use need not be on a vast scale nor must it be accompanied by all of the embellishments of a national sales effort. The first use is the use which occurs

when the first, albeit single, sale occurs. Nothing more is required by the statute or by the numerous decisions interpreting it (*Maternally Yours, Inc. v. Your Maternity Shop, Inc.*, 234 F. 2d 538 (2nd Cir. 1956); *Montgomery Ward & Co. v. Sears, Roebuck & Co.*, 49 F. 2d 842 (C. C. P. A. 1931). This identical issue was brought to the attention of this Court in *Drop Dead Co. v. S. C. Johnson & Sons, Inc.*, 326 F. 2d 87 (9th Cir. 1963), cert. denied, 377 U. S. 907 (1964). In the decision below, the Court of Appeals trenchantly summarized the prevailing law as follows:

> "Appellants sent one can of PROMISE, with the label appropriately attached, from Los Angeles to New York. It was thus 'transported in commerce' . . .
>
> ". . . Appellant's attempt . . . to avoid this conclusion by the contention that the sending of the item for such use was not an *actual* use but only a *colorable* use, in that it was only transported to obtain the trademark. Appellants try to show that it is 'plainly, apparent from the context [of the trademark statutes]' (15 USC 1127) that colorable use was to be distinguished from actual use. However, we think the statute makes no such distinction. Its language is clear. If the label is affixed and the goods transported in commerce, the mark is 'used in commerce'." (326 F. 2d at 93, 94) (Brackets, Parentheses & Emphasis by the Court.)

It is apparent that the lower court, in the present case, correctly applied 15 USC 1127 when it affirmed the finding that respondent had used its trademark in commerce. And such correct application of 15 USC 1127 is neither harassment of any legitimate trademark owner nor does any danger impend to the free use of trademarks in the United States.

Finally, petitioner finds that the decision below is in conflict with prior decisions of the Court of Customs and

Patent Appeals and urges that this Court give proper and consistent guidance to the Court below. The cases cited by petitioner to illustrate the "conflict" are clearly distinguishable on their facts, and it is well established that decisions in the area of trademark and unfair competition law, turn on the particular facts involved and, for this reason, other decisions are limited precedential value in deciding the basic questions of fact (*G. D. Searle & Co. v. Chas. Pfizer & Co.*, 265 F. 2d 385 (7th cir.); cert. denied, 361 U. S. 819 (1959).

Conclusion

The decision of the court below is correct insofar as both issues are concerned. The petition for certiorari should be denied.

Respectfully submitted,

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APPENDICES TO RESPONDENT'S BRIEF IN OPPOSITION TO THE PETITION FOR WRIT OF CERTIORARI

APPENDIX "A"

Opinion of the United States Court of Customs and Patent Appeals

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

October Term 1967.
Patent Appeal No. 7915.
Opposition No. 43,376.

FORT HOWARD PAPER COMPANY,
Appellant,

v.

KIMBERLY-CLARK CORPORATION,
Appellee.

March 14, 1968

RICH, Judge.

This appeal is from a decision of the Patent Office Trademark Trial and Appeal Board, 148 USPQ 607, dismissing appellant's opposition to the registration by appellee of "Hi-Dri" on the Principal Register for "Absorbent Paper Tissue Suitable for Hygienic, Cosmetic, or Cleaning Purposes," serial No. 160,711, filed January 15, 1963, claiming first use December 27, 1962.

Appellant's opposition is based on the admittedly long prior use as trademarks for paper towels of "So-Dri,"[1] principally relied on, its earlier-used variant "Sodri,"[2] and "Shur-Dri."[3]

Both parties took testimony, the witnesses for each side being cross examined by counsel for the other.

The appeal presents two issues: (1) likelihood of confusion, etc., within the meaning of section 2(d) of the Lanham Act (15 USC 1052(d));[4] (2) whether appellee made bona fide commercial use of its mark so as to support right to register.[5]

The essential facts shown by the testimony and exhibits are adequately summarized in the board's published opinion and we see no need to repeat them. The highlights are that opposer's registered marks have been used extensively on paper towels designed and sold to automotive service stations for cleaning windshields and the like. Applicant's goods include paper towels and there is, therefore, identity of goods.

A key factor in the board's decision of no likelihood of confusion is the descriptiveness of the term "dry" or "dri" as applied to any kind of towel and the apparent commonplace use of that term as a syllable or part of trademarks adopted and used by applicant-appellee and third parties for towels of both paper and cloth. The record shows use by what is now a division of applicant, Kimberly-Clark,

(1) Reg. No. 651,198, Sept. 3, 1957, for paper towels.

(2) Reg. No. 165,832, Mar. 20, 1923, twice renewed, last renewal for paper towels only, and No. 651,196, Sept. 3, 1957, for paper towels.

(3) Reg. No. 720,359, Aug. 22, 1961, for paper towels.

(4) Appellant makes two issues out of this by separately stating them as "confusing similarity" of the marks and likelihood of confusion, mistake, or deception. These are, however, inseparable aspects of a single issue, as we view the matter.

(5) There is no question but that the mark was used, under conditions hereinafter explained, and appellant disavows any reliance on a theory of abandonment.

since 1911, of "Driwell" on paper towels, Reg. No. 522,321, except for the period 1924-1934 when "Drytex" was used instead. In the 1941-1964 period some 2,000,000 cases of "Driwell" towels were sold. Kimberly-Clark also has a registration of "Kaydry," No. 774,552, for disposable towels which the record shows to be paper towels. There are, in addition, 25 third-party registrations of record of marks containing "dry" or "dri," 11 of them for paper towels and 14 for cloth towels. The paper towel marks are in several instances the subject of recent or renewed registrations, indicating a probability of recent or present use.

Notwithstanding the apparent similarities between "So-Dri" in particular and "Hi-Dri," the board concluded there would be no likelihood of confusion on the following basis:

> Opposer's marks "So-Dri" and "Shur-Dri" and applicant's mark "Hi-Dri" obviously were adopted to suggest that the paper towels sold thereunder possess superior drying qualities. It likewise appears from the record that it has been a common practice for producers of paper towels and of such competitive products as cloth towels to adopt as trademarks for their products designations comprising the word "Dry" or "Dri", having a similar suggestive connotation, such as "Dri-N-Shine", "Dri-Kleen", "Dry-Mor", "Sparkle-Dri", "Easi-Dri", "Dryfast", and "Wipemdri". Under such circumstances, the scope of protection afforded opposer's marks must necessarily be narrow and manifestly cannot extend to preclude the registration by others of similar but otherwise distinguishable notations or trademarks for towels. [Cases cited.] * * * The fact, as urged by opposer, that its marks and that of applicant are hyphenated marks and the syllable "Dri" appears therein as a prefix instead of a suffix as in the third-party registrations is of no particular significance * * *. Accordingly, although the designations "So-Dri", "Shur-Dri", and "Hi-Dri" may have similar meanings, the differences between them in both sound and appearances are

> sufficient in view of the nature of the marks, to preclude a likelihood of confusion or mistake as to the source of the goods sold thereunder.

We see no clear error in that conclusion or in the reasoning by which it was reached.

Compare *Fort Howard Paper Co.* v. *Gulf States Paper Corp.*, 54 CCPA 1375, 376 F. 2d 904, 153 USPQ 646, where opposition to registration of "E-Z NAPS" by the owner of "HANDINAP" and "HANDINAPS" was dismissed, the goods of both parties being paper napkins.

On the second issue, it is opposer's contention that there was no bona fide use of "Hi-Dri" in commerce adequate to support a registration. Briefly, the facts are as follows. Kimberly-Clark's legal department made careful arrangements for the interstate shipment and sale on December 12, 1962, from its plant in Neenah, Wisconsin, to a drugstore in Waukegan, Illinois, of six boxes each of facial tissues, table napkins, toilet tissues and paper towels, all boxed or wrapped in coverings bearing the "Hi-Dri" trademark printed thereon. No further sales were made until July 1964, a period of eighteen months. Then sales under the mark were made as follows: July, 40 cases of toilet tissue and 260 cases of facial tissue; October, 700 cases of toilet tissue, 530 cases of facial tissue, and 357 cases of towels; November, 350 cases of toilet tissue and 50 cases of napkins. The total value of 1964 sales under the mark was $15,013.60.

Appellant argues that the first sale was not "bona fide," that the mark was not actually in use at the time the application was filed, some 18 days later, and that the 1964 sales were obviously stimulated by the opposition.

The board characterized this issue as an "*ex parte*" matter but considered it anyway, "in the interest of re-

moving any cloud that may be placed on applicant's activities in regard to its use of 'Hi-Dri' * * *." Since the board considered it, we will consider it.[6]

The board held, in effect, that applicant has complied with the law, and that although the initial sale was deliberately made expressly for federal registration purposes, this fact "is not damning *per se*" where the record shows there was an intent to continue to use the mark, and that such use was in fact continued. The board relied on the following cases: *Montgomery Ward & Co.* v. *Sears, Roebuck & Co.*, 18 CCPA 1386, 49 F. 2d 842, 9 USPQ 524; *California Spray-Chemical Corp.* v. *Ansbacher Siegle Corp.*, 55 USPQ 298 (Comm'r); *Western Stove Co.* v. *Geo. D. Roper Corp.*, 80 USPQ 393 (S. D. Cal. 1949); and *Maternally Yours, Inc.* v. *Your Maternity Shop, Inc.*, 110 USPQ 462 (2d Cir. 1956). Appellant attempts, unsuccessfully we think, to distinguish these cases. Appellee's testimony was that it normally takes it about three years after adoption and first use of a new mark to take the necessary steps leading to national distribution of a product under it, during which time marketing and advertising tests and preparation for production and sale are progressing. An eighteen-month hiatus in sales, absent any indication of an intent not to proceed, does not seem to us unreasonable. We think it appropriate that appellee should proceed with caution to try out its right to registration of "Hi-Dri," as it is doing in this proceeding, before plunging into the market with more extensive sales than it did. We agree with the board's decision that appellee complied with the law.

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(6) We do not know why an opposer should be precluded from raising this reason for denying registration in an *inter partes* proceeding. See *Roger & Gallet v. Janmarie, Inc.*, 46 CCPA 787, 263 F. 2d 350, 120 USPQ 484, on the delay of final disposition which may result from the characterization of rulings as *"ex parte."* Here both parties are arguing the question and neither questions our right to pass upon it.

For the foregoing reasons, the decision dismissing the opposition is *affirmed.*

AFFIRMED

WORLEY, C. J., did not participate.

APPENDIX "B"

Opinion of the Trademark Trial and Appeal Board of the United States Patent Office

Hearing: October 5, 1965 — VLH Paper No. 28

U. S. DEPARTMENT OF COMMERCE
PATENT OFFICE

Trademark Trial and Appeal Board

FORT HOWARD PAPER COMPANY,
v.
KIMBERLY-CLARK CORPORATION.

Opposition No. 43,376, to application Serial No. 160,711, filed January 15, 1963.

Morsell & Morsell and Paul J. Schierl for Fort Howard Paper Company.

Paul J. Glaister and Florence E. Miller and Hume, Groen, Clement & Hume for Kimberly-Clark Corporation.

Before Waldstreicher, Lefkowitz, and Shryock, Members.

Opinion by Lefkowitz, Member:

An application has been filed by Kimberly-Clark Corporation to register "HI-DRI" as a trademark for absorbent paper tissue suitable for hygienic, cosmetic or cleaning purposes. Use of the mark since December 27, 1962 has been alleged.

Registration has been opposed by Fort Howard Paper Company, which alleges that applicant's mark "HI-DRI" so resembles "SO-DRI",(1) "SODRI",(2) and "SHUR-DRI"(3) previously used and registered by opposer for absorbent paper tissue suitable for hygienic or cleaning purposes and, in particular, paper towels, as to be likely, when applied to applicant's goods to cause confusion or mistake or to deceive.

Both parties have taken testimony.

According to its record, opposer is engaged in the manufacture and sale of a general line of sanitary paper products, which include toilet tissue, paper towels, paper napkins, and printed specialties, the bulk of which is designed for and directed to industrial and commercial use. Opposer has sold paper towels designed and merchandised especially for use in service stations to wipe and clean windshields and other portions of automobiles under the marks "SO-DRI" and "SHUR-DRI" since 1956 or the spring of 1957 and 1960, respectively. Prior to 1956 or thereabout, opposer used the trademark "SODRI" to identify a general purpose hand towel sold with or without a dispenser for use in washrooms in factories, restaurants, schools, and like commercial and institutional establishments. Op-

(1) Reg. No. 651,198, issued Sept. 3, 1957.

(2) Reg. No. 165,832, issued Mar. 20, 1923, and twice renewed, and Reg. No. 651,196, issued Sept. 3, 1957.

(3) Reg. No. 720,359, issued Aug. 22, 1961.

poser's windshield wiper towels are marked throughout the continental United States and possibly also in Hawaii through wholesale paper merchants, janitorial supply houses, wholesale automobile supply merchants, and institutional wholesalers who ordinarily also handle paper products of other producers. The marks "So-Dri" and "Shur-Dri" have been applied to labels and wrappers for the goods as well as to the containers therefor. Sales of "So-Dri" towels since 1960 have been in excess of one hundred thousand dollars a year. "So-Dri" towels have been promoted by advertisements in the trade publications, "Jobber Topics", "Super Service Station", and "Gasoline Retailer", and through the distribution of posters, catalog sheets, flyers, and mailing pieces. Opposer has, since the introduction of windshield towels under the mark "So-Dri", expended approximately a hundred thousand dollars for magazine advertising as well as additional thousands of dollars for preparing and distributing promotional material directed to this product.

Applicant, like opposer, is a large manufacturer of paper products, including a variety of absorbent paper products such as towels, tissue, toilet paper, and table napkins. The first shipment of products in the United States under the mark "Hi-Dri" was made on December 27, 1962 when six boxes of "Hi-Dri" facial tissue, six boxes of "Hi-Dri" table napkins, six rolls of "Hi-Dri" toilet tissue, and six rolls of "Hi-Dri" towels were shipped in interstate commerce to Osco Drug of Waukegan, Illinois. The labels and cartons bore the trademark "Hi-Dri". The total shipment amounted to one dollar and ninety-one cents. The subject application was filed on January 15, 1963. Except possibly for some sales in Canada in connection with the registration of the mark in that country, no further shipment of goods

under the mark "HI-DRI" were made by applicant until July 1964.[4] The lapse of time between shipments, according to applicant's testimony, was the normal lapse of time between the date on which a decision is reached to introduce a new product and the date when such product is placed in national distribution. In the interval, applicant usually conducts market tests, advertising tests, evaluations of the product, determines the best advertising format, and otherwise takes measures which it has found necessary prior to the distribution of a product nationally. Applicant's sales of "HI-DRI" products amounted to a sum slightly in excess of one thousand seven hundred dollars in July, 1964, a sum in excess of ten thousand dollars in October, 1964, and about thirty-one hundred dollars in November, 1964. Applicant's line of "HI-DRI" paper products are sold exclusively through its industrial or commercial division throughout most of the United States directly to multiple outlet users such as hotels, motels, airlines, factories, and the like and through merchant wholesalers who handle a general line of paper goods, janitorial supply merchant wholesalers, and similar wholesalers for resale to jobbers who in turn sell to institutional and commercial users. Admittedly, "HI-DRI" paper products would be sold to filling stations either directly if they are a part of a large chain or through jobbers.

Applicant's record also contains testimony and documentary evidence as to its use and registration of the trademark "KAYDRY" for paper products and use, over the years, by one of its subsidiaries of the mark "DRYTEX" and

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(4) Applicant's witness has testified to alleged extensive use of the mark "HI-DRI" on paper products by its subsidiary in England and other foreign countries. But, apart from the fact that such asserted use does not antedate opposer's use of its pleaded marks it is well established that use of a mark in commerce outside the jurisdiction of the Congress cannot establish or create rights in a trademark which a party can properly assert in a proceeding of the charaeter here involved.

"DRIWELL" for similar goods. Considering, the substantial and obvious differences between these marks and "HI-DRI", the mark for which registration is sought, the use and registration of these marks is immaterial and irrelevant to the issue joined by the parties in this proceeding except to the extent that they show that applicant and its subsidiary have used other marks for paper goods comprising the term "DRY" and its equivalent "DRI.[5] Apropos thereto, applicant has made of record under the applicable rule copies of twenty-five additional registrations issued to third persons for marks comprising the term "DRY" or "DRI" for paper and cloth towels.

The primary question for determination herein is whether or not a registration to applicant of "HI-DRI" for its paper products is likely to cause confusion in trade in view of opposer's ownership of and prior rights in the registered trademarks "SO-DRI" or "SODRI" and "SHUR-DRI". The fact that these marks are used by the parties in conjunction with or in close proximity to their corporate names is not germane to the resolution of this question. See: Frances Denney v. Elizabeth Arden Sales Corporation, 120 US PQ 480 (CCPA, 1959) and Sealy, Incorporated v. Simmons Company, 121 USPQ 456 (CCPA, 1959).

Opposer has attempted to establish the likelihood of such confusion by introducing in evidence testimony by two operators of service stations in Green Bay, Wisconsin where opposer is located to the effect that they utilize "SO-DRI" windshield towels in their businesses and that if they were to encounter "HI-DRI" towels, they would be likely to assume that they originate with the same producer. This

[5] Salem Commodities, Incorporated v. The Miami Margarine Company, 114 USPQ 124 (CCPA, 1957); American Cyanamid Company v. Synthetic Nitrogen Products Corp., 13 USPQ 421 (CCPA, 1932); and Maize Industries v. The Holloway Trust, 128 USPQ 19 (TT&A Bd., 1960).

testimony amounts to nothing more than an expression of opinion by the witnesses. And it is well settled that such testimony is entitled to little, if any, probative value in determining the question of likelihood of confusion. As stated by the court in The Quaker Oats Company v. St. Joe Processing Company, Inc., 109 USPQ 390 (CCPA, 1956) at page 391:

> "If such testimony were adopted without considering other aspects of the case, the effect would be to substitute the opinions of the witnesses for the ultimate decision to be reached by the court and would therefore be improper."

See also: Fort Howard Paper Company v. Gulf States Paper Corporation, 146 USPQ 593 (TT&A Bd., 1965).

Turning now to the question that we must determine, the goods of both parties comprise hand towels and closely related paper products which are sold through various types of non-inclusive distributors or wholesalers including wholesale paper merchants and janitorial supply houses for resale to commercial, industrial, and institutional users. Under these circumstances and considering that applicant's products, like those of opposer, would be made available to service station operators, the sale of these products under the same or similar marks will cause purchasers to ascribe a common origin thereto.

It is opposer's contention that the marks of the parties and, in particular, "HI-DRI" and "SO-DRI", are confusingly similar when considered in their entireties, "having the same connotation, a similar appearance, and a similar ring when spoken". Applicant argues, however, that each of the marks is highly suggestive of the excellant drying qualities of the towel put out by each manufacturer, and that other than this common theme or suggestion, the

marks are sufficiently different to obviate any likelihood of confusion in trade.

Opposer's marks "So-Dri" and "Shur-Dri" and applicant's mark "Hi-Dri" obviously were adopted to suggest that the paper towels sold thereunder possess superior drying qualities. It likewise appears from the record that it has been a common practice for producers of paper towels and of such competitive products as cloth towels to adopt as trademarks for their products designations comprising the word "Dry" or "Dri", having a similar suggestive connotation, such as "Dri-n-Shine", "Dri-Kleen", "Dry-Mor", "Sparkle-Dri", "Easi-Dri", "Dry-fast", and "Wipemdri". Under such circumstances, the scope of protection afforded opposer's marks must necessarily be narrow and manifestly cannot extend to preclude the registration by others of similar but otherwise distinguishable notations or trademarks for towels. See: Stephen L. Bartlett Company v. Arbuckle Brothers, 52 App. D. C. 267 (1923); Hillyard Chemical Company v. Vestal Laboratories, Inc.; Vestal Laboratories, Inc. v. Hillyard Chemical Company, 99 USPQ 117 (CCPA, 1943); Milwaukee Nut Company v. Brewster Food Service, 125 USPQ 399 (CCPA, 1960); Sure-Fit Products Company 1. Saltzson Drapery Company, 117 USPQ 295 (CCPA, 1958); The Murray Corporation of America v. Red Spot Paint and Varnish Co., Inc., 126 USPQ 390 (CCPA, 1960); E. L. Bruce Company v. American Termicide Company, Inc., 128 USPQ 341 (CCPA, 1960); and Air Products, Inc. v. Marquette Manufacturing Co., Inc., 133 USPQ 192 (CCPA, 1962). The fact, as urged by opposer, that its marks and that of applicant are hyphenated marks and the syllable "Dri" appears therein as a prefix instead of a suffix as in the third-party registrations is of no particu-

lar significance as evidenced by the decisions in Sure-Fit Products Company v. Saltzson Drapery Company, *supra* (RITE-FIT and SURE-FIT); Hillyard Chemical Company v. Vestal Laboratories, Inc., *supra* (SHINE-ALL and BRITEN-ALL); and Air Products, Inc. v. Marquette Manufacturing Co., Inc., *supra* (REDI-ARC and REDI-SET). Accordingly, although the designations "SO-DRI", "SHUR-DRI", and "HI-DRI" may have similar meanings, the differences between them in both sound and appearance are sufficient, in view of the nature of the marks, to preclude a likelihood of confusion or mistake as to the source of the goods sold thereunder.

Opposer, in effect, has taken the position that, apart from the interpartes issues in this proceeding, applicant should be refused registration *ex parte* because the first shipment on which the application is based was merely a token shipment made for the express purpose of registration, and hence does not constitute a bona fide use of the mark in commerce; there were no further shipments by applicant under the mark "HI-DRI" until July 1964; and the subsequent shipments were so small for a company of applicant's size and so sporadic "as to have obviously been made for the purposes of the present opposition rather than as a part of bona fide commercial activity".

While an opposer may not ordinarily be heard on an *ex parte* question, in the interest of removing any cloud that may be placed on applicant's activities in regard to its use of "HI-DRI" in the United States, opposer's allegations require that they be considered herein.

There is no question on the record presented but that the first shipment of "HI-DRI" was made by applicant at the request of its legal department to establish a basis

for the registration which it now seeks, and that the shipment involved only a dollar and ninety-one cents worth of paper products. The recipient of the shipment, however, was a drug chain which apparently had no connection with applicant; the goods were shipped under a commercial type label, invoiced, and paid for in the usual manner for small shipments; and there is nothing to suggest that these goods were not offered for resale or that the shipment was anything other than a bona fide sale. The fact that a sale in commerce was made expressly for registration purposes is not damning, *per se,* where circumstances indicate an intent to continue such use. See: Maternally Yours, Inc. v. Your Maternity Shop, Inc., 110 USPQ 462 (CA 2, 1956); Western Stove Company, Inc. v. Geo. D. Roper Corporation *et al.,* 80 USPQ 393 (DC Calif., 1949); Montgomery Ward & Co., Inc. v. Sears, Roebuck & Co., 9 USPQ 524 (CCPA, 1931); and California Spray-Chemical Corporation v. Ansbacher Siegle Corporation, 55 USPQ 298 (Comr., 1942). Admittedly, there were no further shipments in the United States until July 1964; but there is uncontradicted testimony by applicant's witness that, during this interval, applicant was conducting marketing tests and analyses which it deemed necessary prior to merchandising "HI-DRI" products on a national scale. Certainly, the record does not support an intent to abandon the mark during this period nor does the eighteen month interim of sales inactivity establish a *prima facie* case of abandonment as defined in Section 45 of the Statute; and while the sales of "HI-DRI" paper products after July 1964 may not have been of the magnitude normally associated with a manufacturer of applicant's size, they nevertheless were shipments under the mark in question and serve to establish applicant's intent to continue to use

and maintain whatever rights it may have acquired in the mark "HI-DRI".

Decision:

The opposition is dismissed.

H. WALDSTREICHER,
S. LEFKOWITZ,
R. F. SHRYOCK,
Members, Trademark Trial and Appeal Board.

JAN 3 1966

APPENDIX "C"

Section 1, Lanham Act, 15 USC 1051

§ 1051. REGISTRATION; APPLICATION; PAYMENT OF FEES; DESIGNATION OF RESIDENT FOR SERVICE OF PROCESS AND NOTICE

The owner of a trade-mark used in commerce may register his trade-mark under this chapter on the principal register established:

(a) By filing in the Patent Office—

(1) a written application, in such form as may be prescribed by the Commissioner, verified by the applicant, or by a member of the firm or an officer of the corporation or association applying, specifying applicant's domicile and citizenship, the date of applicant's first use of the mark, the date of applicant's first use of the mark in commerce, the goods in connection with which the mark is used and the mode or manner in

which the mark is used in connection with such goods, and including a statement to the effect that the person making the verification believes himself, or the firm, corporation, or association in whose behalf he makes the verification, to be the owner of the mark sought to be registered, that the mark is in use in commerce, and that no other person, firm, corporation, or association, to the best of his knowledge and belief, has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when applied to the goods of such other persons, to cause confusion, or to cause mistake, or to deceive: *Provided,* That in the case of every application claiming concurrent use the applicant shall state exceptions to his claim of exclusive use, in which he shall specify, to the extent of his knowledge, any concurrent use by others, the goods in connection with which and the area in which each concurrent use exists, the periods of each use, and the goods and area for which the applicant desires registration;

(2) * * *

(3) * * *

(b) * * *

(c) * * *

(d) * * * July 5, 1946, c. 540, Title I, § 1, 60 Stat. 427; Oct. 9, 1962, Pub. L. 87-772, § 1, 76 Stat. 769.

* * *

APPENDIX "D"

Section 45, Lanham Act, 15 USC 1127

§ 1127. CONSTRUCTION AND DEFINITIONS; INTENT OF CHAPTER

In the construction of this chapter, unless the contrary is plainly apparent from the context—

* * *

The term "mark" includes any trade-mark, service mark, collective mark, or certification mark entitled to registration under this chapter whether registered or not.

For the purposes of this chapter a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods are sold or transported in commerce and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in this and a foreign country and the person rendering the services is engaged in commerce in connection therewith.

* * *

The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registrated marks; and to provide rights and reme-

dies stipulated by treaties and conventions respecting trade-marks, trade names, and unfair competition entered into between the United States and foreign nations. July 5, 1946, c. 540, Title X, § 45, 60 Stat. 443; Oct. 9, 1962, Pub. L. 87-772, § 21, 76 Stat. 774.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

No. [redacted] 154

FORT HOWARD PAPER COMPANY, A CORPORATION,
Opposer-Petitioner,

vs.

KIMBERLY-CLARK CORPORATION, A CORPORATION,
Applicant-Respondent.

PETITION FOR REHEARING FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS.

ELLSWORTH M. HENNISON,
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THE DUNHAM-WARREN PRINTING COMPANY, CHICAGO

IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

No. 1492.

FORT HOWARD PAPER COMPANY, A CORPORATION,
Opposer-Petitioner,

vs.

KIMBERLY-CLARK CORPORATION, A CORPORATION,
Applicant-Respondent.

PETITION FOR REHEARING FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS.

Petitioner prays this Court rehear and reconsider its decision, dated October 14, 1968, denying Petitioner's request for a writ of certiorari to review the decision of the United States Court of Customs and Patent Appeals entered in the above entitled Trademark Opposition on March 14, 1968.

GROUNDS FOR REHEARING.

The decision of the court below results in an unconstitutional and congressionally unintended construction of the Trademark Act of 1946, as amended, 60 Stat. 427, 15 U. S. C. 1051 *et seq.*, and creates substantive law directly opposed to that set forth by the Supreme Court in *United Drug Co.* v. *Theodore Rectanus Co.*, 248 U. S. 90 (1918).

The lower court's ruling establishes that "intent" to engage in future interstate commerce, alone, without corresponding acts, is sufficient to constitute the "interstate commerce" necessary to trigger federal regulatory power under the commerce clause in the trademark field.

This Court long ago ruled that trademark rights do not project beyond the actual use of the trademark in commerce.

> "It results that the adoption of a trademark does not, at least in the absence of some valid legislation enacted for the purpose, project the right of protection in advance of the extension of the trade. . . ." *United Drug Co.* v. *Theodore Rectanus Co.*, 248 U. S. 90, 98 (1918).

In addition, this Court has clearly held, on constitutional grounds, that congressional trademark legislation may only operate in regulating existing interstate commerce. *Trademark Cases*, 100 U. S. 82, 25 L. Ed. 550 (1879). That legislation may not affect substantive trademark law. *American Trading Co.* v. *H. E. Heacock Co.*, 285 U. S. 247, 256 (1932).

The decision of the court below permits an artificial, forward time projection of a deminimus, formal $1.91 interstate transaction for the sole purpose of "creating" federal jurisdiction over a trademark application at a time when absolutely no commerce of any type in the trademarked product existed. Petitioner submits that this court-intended result is at variance with the power of Congress to regulate commerce and is fully at variance with the explicit wishes of Congress as set forth in the applicable statute. See *Trademark Cases, supra.* The 1946 Trademark Act provides:

> "The owner of a trademark *used* in commerce may register his trademark under this Act on the principal register hereby established:
> (a) By filing in the Patent Office—
> * * * the goods in connection with which the mark *is used* * * * *is used* * * * and including a state-

> ment to the effect that the person making the verification believes . . . that the mark *is in use* in commerce, . . .'' 15 U. S. C. § 1051. (Emphasis added.)

The commerce referred to must be interstate commerce. *Trademark Cases, supra.*

Congress recognized the ex parte nature of the verified statement of current interstate commerce use by making the declarant liable for false—not necessarily fraudulent —statements in the application for registration:

> ''Any person who shall procure registration in the Patent Office of a mark by a false or fraudulent declaration or representation, oral or in writing, or by any false means, shall be liable in a civil action by any person injured thereby. . . .'' 15 U. S. C. § 1120.

The intent of Congress is manifestly clear that it intended to regulate commerce by creating substantive federal rights arising out of *existing* interstate commerce—not to allow preemption of rights based only on anticipated, future commerce. This ''intent'' is made more obvious when measured against a background which shows that this Court had previously held a trademark statute of Congress to be unconstitutional for failing to define the ''commerce'' sought to be regulated. *Trademark Cases, supra.*

> ''The right to a trade-mark exists independently of the statute. Registration simply constitutes prima facie evidence that the registrant is entitled to the mark. *Fulton Waterworks Co.* v. *Bear Lithia Spring Co.*, 47 App. D. C. 438.
>
> * * * * *
>
> 'The trade-mark recognized by the common law is generally the growth of a considerable period of use, rather than a sudden invention. * * * The exclusive right to it grows out of its use, and not its mere adoption.' *Trademark Cases,* 100 U. S. 82, 94 (25 L. Ed. 550); *Macmahan Pharmacal Co.* v. *Denver Chemical Mfg. Co.*, 113 Fed. 468, 472,

51 C. C. A. 302; *American Washboard Co.* v. *Saginaw Mfg. Co.*, 103 Fed. 281, 287, 43 C. C. A. 233, 50 L. R. A. 609."

Phillips v. *Hudnut*, 263 F. 643, 644 (D. C. Cir. 1921).

The facts in this case are simple and undisputed. On December 27, 1962, respondent, at the request of its legal department, shipped $1.91 worth of goods bearing its alleged mark from Neenah, Wisconsin to Waukegan, Illinois. No further commerce in the products bearing the alleged trademark was engaged in until July, 1964—a lapse of almost eighteen months. On January 15, 1963, respondent applied for a federal trademark registration claiming that the trademark was "in use," in interstate commerce.

The Court of Customs and Patent Appeals has ruled that a prior, deminimus, one-time, interstate use of a trademark, for the sole purpose of "creating" federal rights, coupled with specific private *intent* to again use the mark in interstate commerce in the distant future is sufficient to place the trademark under the regulatory control of Congress. This ruling is in direct conflict with Article I, Section 8 of the Constitution of the United States.

In addition to creating substantive trademark rights in the absence of existing use of the trademark in commerce —a practice not allowed by this Court[1]—the decision otherwise conflicts with the regulatory scheme of Congress in passing the trademark statutes.

Congress expressly provided a means whereby the public, or any member thereof, could oppose a federal trademark registration by showing that the opposer would be damaged by allowance of the registration. The principal means of demonstrating damage is to prove actual confu-

1. See page 2, *supra*.

sion in the mind of a significant segment of the public as to the difference between a pre-existing trademark of opposer and the proposed trademark of the applicant. 15 U. S. C. § 1063.

Without concurrent, existing use in (interstate) commerce of applicant's mark, there is no possibility of proving actual confusion by the public between opposing marks. If the public does not know of applicant's mark it cannot be confused by it. To permit registration under these circumstances is not only poor public policy, but it runs against a primary purpose of the statute—to protect the consumer from confusion in interstate commercial transactions involving the trademark.

Congress has the power to pass statutes regulating interstate commerce. The regulation attaches to an existing or future act only at the time of the act. It is a truism to say that the concept of regulating *past* commerce is illogical—the event precedes the regulation. Nevertheless, what the court below has done is to resurrect a deminimus prior act and project it into the future to establish an interstate commerce basis for the exercise of federal regulatory power. The Constitution and prior decisions of this Court demand more. The court's decision perverts the legislative scheme of Congress.

Other courts, while not specifically recognizing the constitutional principle involved, have refused to allow formalistic preemption of trademark rights under the guise of the federal statutes.

> "Phillips claims May, 1914, as the time he commenced the use of the mark. In that month he had no established place of business, but made some sample boxes of toilet powder, placed upon them the mark here involved, and then forwarded them from New York, through the house for which he was then working, to

three dealers in goods of that character, one in Texas, one in Philadelphia, and one in New Orleans. The boxes were sent without previous request by the consignees, and the price paid for each was 5 cents, the usual sale price of such an article being about 50 cents. No other use of the mark was made by him until 1916. The Assistant Commissioner held that this was not 'a bona fide business transaction—was not doing business on Phillips' part, and was a mere laying basis for the filing of his application for registration, and created no trademark rights in Phillips.' " *Phillips* v. *Hudnut*, 263 F. 643, 644 (D. C. Cir. 1920).

CONCLUSION.

The decision of the Court of Customs and Patent Appeals results in an unconstitutional and congressionally unintended construction of the Trademark Act of 1946, as amended, and runs counter to prior decisions of this Court. The practical effect of the decision is to frustrate the purpose of the regulatory system formulated by Congress in exercising its constitutional powers to regulate interstate commerce in this important area of product identification.

The interests of Petitioner and all others who engage in interstate commerce using distinctive trademarks, as well as the consumers of trademarked products, require that this Court exercise its reviewing function to reverse the erroneous decision of the court below.

Petitioner respectfully asks this Court to reconsider its denial of Petitioner's request for a Writ of Certiorari to the United States Court of Customs and Patent Appeals.

Respectfully submitted,

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Rule 58(2) Certificate of Counsel.

Counsel for Petitioner hereby certifies that the foregoing Petition for Rehearing is presented in good faith and not for purposes of delay. Counsel further certifies that the Petition presents substantial grounds available to Petitioner although not previously presented, as set forth in Rule 58(2).

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Certificate of Service.

This is to certify that two (2) copies of the foregoing Petition for Rehearing were served by mail, first class, postage prepaid, on Dean A. Olds, Suite 1600, 38 S. Dearborn Street, Chicago, Illinois 60603, Counsel for Respondent, this ..... day of November, 1968.

Counsel for Petitioner.